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Note.--WD Circular 256 will be distributed at a later date.

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WAR DEPARTMENT
WASHINGTON 25, D. C., 23 August 1946

Effective until 23 February 1948 unless sooner rescinded or superseded

**LIBERALIZATION OF CERTAIN PROVISIONS OF THE NATIONAL
SERVICE LIFE INSURANCE ACT OF 1940, AS AMENDED**

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I. GENERAL. 1. This circular is published to explain certain provisions of the Insurance Act of 1946 (Public Law 589, 79th Congress, approved 1 August 1946), and to suggest methods of modifying existing Veterans Administration insurance forms to meet the present situation. Only those changes that are of immediate importance to the field have been included in this circular. Detailed information will be incorporated in AR 600-110.

II. BENEFICIARY LIBERALIZATIONS. 2. Beneficiary restrictions are removed from policies of insurance maturing on or after the date of passage of this Act (1 August 1946). The insured may now designate as beneficiary any person or persons, firm, corporation, or other legal entity (including his estate), either individually or as trustee. (The Veterans Administration will not administer any trust.)

3. Pending receipt of new Veterans Administration Insurance Form 336 (Change of Beneficiary), existing forms may be used in effecting a change of beneficiary designation, with the following modification: Delete second, third, fourth, and fifth paragraphs of instructions at bottom of the form. The form should then be executed in triplicate and copies distributed as outlined in paragraph 13 d (3) AR 600-110 with respect to present Veterans Administration Insurance Form 336. If Veterans Administration Insurance Form 336 is not available, a letter to the Veterans Administration, Washington 25, D. C., designating the new beneficiary or beneficiaries and amounts of insurance involved which clearly identifies the insured (including his date of birth), and is signed and dated by him, will be accepted as a valid request for change of beneficiary. Such request should be executed in triplicate and copies distributed in the same manner as prescribed for Veterans Administration Insurance Form 336.

III. OPTIONAL SETTLEMENTS. 4. Insurance maturing on or subsequent to the date of enactment of the Insurance Act of 1946, shall be payable in accordance with the following four optional modes of settlement:

- a. Option 1. In one sum. (May be elected only by the insured.)
- b. Option 2. In equal monthly installments of from 36 to 240 in number, in multiples of 12. The values shown in the following table are based on \$1,000 of insurance without indebtedness:

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<u>Number of monthly installments</u>	<u>Amount of each monthly installment</u>
36	\$28.99
48	22.06
60	17.91
72	15.14
84	13.16
96	11.68
108	10.53
120	9.61
132	8.86
144	8.24
156	7.71
168	7.26
180	6.87
192	6.53
204	6.23
216	5.96
228	5.73
240	5.51

c. Option 3. In equal monthly installments for 120 months certain with such payments continuing during the remaining lifetime of the first beneficiary. The values shown in the following table are based on \$1,000 of insurance without indebtedness:

<u>Age of first beneficiary at death of insured</u>	<u>Amount of each monthly install- ment per \$1,000 of insurance payable through- out the lifetime of the first bene- ficiary</u>
10 and under	\$3.45
11	3.46
12	3.48
13	3.50
14	3.52
15	3.54
16	3.56
17	3.58
18	3.60
19	3.63
20	3.65
21	3.68
22	3.70
23	3.73
24	3.76

25	\$3.79
26	3.83
27	3.86
28	3.90
29	3.93

30	3.97
31	4.01
32	4.06
33	4.10
34	4.15

35	4.20
36	4.26
37	4.31
38	4.37
39	4.43

40	4.50
41	4.57
42	4.64
43	4.72
44	4.80

45	4.89
46	4.98
47	5.08
48	5.18
49	5.28

50	5.39
51	5.51
52	5.63
53	5.76
54	5.90

55	6.03
56	6.18
57	6.33
58	6.49
59	6.65

60	6.81
61	6.98
62	7.15
63	7.32
64	7.50

65	7.67
66	7.84

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67	\$8.02
68	8.19
69	8.35
70	8.51
71	8.66
72	8.80
73	8.94
74	9.06
75	9.18
76	9.28
77	9.37
78	9.44
79	9.50
80	9.55
81	9.58
82	9.60
83 and over	9.61

d. Option 4. As a refund life income in monthly installments with face value certain, except where settlement would result in payment of installments over a shorter period than 120 months. Option 4 is not available if the beneficiary is over age 68. Values are the same as provided by the former law, see paragraph 14b, AR 600-110.

5. Any of the above options or a combination thereof may be elected by the insured, but the first beneficiary may elect any option providing for payments over a longer period than the option selected by the insured. If the insured elects no option, the insurance will be payable in 36 monthly installments. However, the first beneficiary may elect any option providing for payment over a longer period than 36 months. Options 3 and 4 shall not be available if the beneficiary is a firm, corporation, legal entity (including the insured's estate), or trustee, or where an endowment contract matures by reason of completion of the endowment period.

6. With respect to insurance maturing on or subsequent to the date of enactment of the Insurance Act of 1946, the present value of the installments remaining unpaid shall be paid in one sum to the estate of the insured, provided it does not escheat to the state:

- a. If no beneficiary is designated by the insured, or
- b. If no designated beneficiaries survive the insured, or
- c. If the designated beneficiary (including contingent beneficiary) not entitled to choose a lump-sum settlement survives the insured, but dies before receiving all benefits due and payable.

7. Pending receipt of new forms for use in selecting the optional settlement, an informal request over the signature of the insured, clearly indicating his desire as to settlement will be acceptable. This request should include all identifying information such as full name of insured, date of birth, permanent address, Army serial number and policy (certificate) number, if known. Such written request should be executed in triplicate and copies distributed in the same manner as prescribed for Veterans Administration Insurance Form 1616 in paragraph 14c(3), AR 600-110.

8. On insurance heretofore or hereafter maturing, if the beneficiary is a minor or incompetent, the election of the mode of payment may be made by:

- a. A fiduciary
- b. A person qualified under Public Law 373, 72nd Congress, or
- c. A person recognized by the Administrator of Veterans Affairs as having custody of the person or estate of such beneficiary.

IV. PLANS OF INSURANCE. 9. Insurance shall be issued on the five-year level premium term plan with the privilege of conversion at any time after the policy has been in effect for one year and within the term period (including the three-year extension for policies issued on or before 31 December 1945) to the following plans:

- a. Ordinary life
- b. 20-payment life
- c. 30-payment life
- d. 20-year endowment
- e. Endowment at age 60
- f. Endowment at age 65.

10. Endowment rates. As shown in the following tables.

NATIONAL SERVICE LIFE INSURANCE
20 YEAR ENDOWMENT
PREMIUM RATES FOR \$1,000

Age	Monthly	Quarterly	Semi-annual	Annual
15	\$3.44	\$10.29	\$20.51	\$40.73
16	3.44	10.29	20.51	40.73
17	3.45	10.32	20.57	40.84
18	3.45	10	20.57	40.84
19	3.45	10.32	20.57	40.84
20	3.46	10.35	20.63	40.96
21	3.46	10.35	20.63	40.96
22	3.46	10.35	20.63	40.96
23	3.47	10.38	20.69	41.08
24	3.47	10.38	20.69	41.08
25	3.48	10.41	20.75	41.20
26	3.48	10.41	20.75	41.20
27	3.49	10.44	20.81	41.32
28	3.50	10.47	20.87	41.44
29	3.50	10.47	20.87	41.44
30	3.51	10.50	20.93	41.55
31	3.52	10.53	20.99	41.67
32	3.53	10.56	21.05	41.79
33	3.54	10.59	21.11	41.91
34	3.55	10.62	21.17	42.03

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Age	Monthly	Quarterly	Semi-Annual	Annual
35	\$3.56	\$10.65	\$21.23	\$42.15
36	3.58	10.71	21.35	42.38
37	3.59	10.74	21.41	42.50
38	3.61	10.80	21.53	42.74
39	3.63	10.86	21.65	42.98
40	3.66	10.95	21.83	43.33
41	3.68	11.01	21.94	43.57
42	3.71	11.10	22.12	43.92
43	3.74	11.19	22.30	44.28
44	3.78	11.31	22.54	44.75
45	3.82	11.43	22.78	45.22
46	3.87	11.58	23.08	45.82
47	3.92	11.73	23.38	46.41
48	3.98	11.91	23.73	47.12
49	4.05	12.12	24.15	47.95
50	4.12	12.33	24.57	48.78
51	4.20	12.57	25.05	49.72
52	4.29	12.84	25.58	50.79
53	4.40	13.17	26.24	52.09
54	4.51	13.50	26.89	53.39
55	4.63	13.86	27.61	54.81
56	4.77	14.27	28.44	56.47
57	4.92	14.72	29.34	58.25
58	5.09	15.23	30.35	60.26
59	5.27	15.77	31.43	62.39
60	5.48	16.40	32.68	64.88
61	5.70	17.06	33.99	67.48
62	5.95	17.81	35.48	70.44
63	6.22	18.61	37.09	73.64
64	6.51	19.48	38.82	77.07
65	6.84	20.47	40.79	80.98
66	7.20	21.55	42.94	85.24
67	7.59	22.71	45.26	89.86
68	8.03	24.03	47.88	95.07
69	8.50	25.44	50.69	100.63
70	9.02	26.99	53.79	106.79
71	9.58	28.67	57.13	113.42
72	10.19	30.49	60.77	120.64
73	10.86	32.50	64.76	128.57
74	11.59	34.68	69.11	137.21
75	12.39	37.08	73.88	146.68

NATIONAL SERVICE LIFE INSURANCE
 ENDOWMENT AT AGE 60
 PREMIUM RATES FOR \$1,000

Age	Monthly	Quarterly	Semi- annual	Annual
15	\$1.40	\$ 4.19	\$ 8.35	\$16.57
16	1.44	4.31	8.59	17.05
17	1.48	4.43	8.83	17.52
18	1.52	4.55	9.06	18.00
19	1.57	4.70	9.36	18.59
20	1.61	4.82	9.60	19.06
21	1.66	4.97	9.90	19.65
22	1.71	5.12	10.20	20.24
23	1.77	5.30	10.55	20.95
24	1.83	5.48	10.91	21.67
25	1.89	5.66	11.27	22.38
26	1.96	5.87	11.69	23.20
27	2.03	6.08	12.11	24.03
28	2.10	6.28	12.52	24.86
29	2.18	6.52	13.00	25.81
30	2.27	6.79	13.54	26.87
31	2.36	7.06	14.07	27.94
32	2.47	7.39	14.73	29.24
33	2.57	7.69	15.33	30.43
34	2.69	8.05	16.04	31.85
35	2.82	8.44	16.82	33.39
36	2.96	8.86	17.65	35.04
37	3.11	9.31	18.55	36.82
38	3.27	9.79	19.50	38.71
39	3.46	10.35	20.63	40.96
40	3.66	10.95	21.83	43.33
41	3.88	11.61	23.14	45.94
42	4.13	12.36	24.63	48.89
43	4.40	13.17	26.24	52.09
44	4.71	14.10	28.09	55.76
45	5.07	15.17	30.23	60.02
46	5.47	16.37	32.62	64.76
47	5.94	17.78	35.42	70.32
48	6.48	19.39	38.64	76.72
49	7.13	21.34	42.52	84.41

Age	Monthly	Quarterly	Semi- annual	Annual
50	\$ 7.90	\$23.64	\$47.11	\$93.53
51	8.84	26.45	52.71	104.66
52	10.01	29.96	59.69	118.51
53	11.51	34.45	68.64	136.27
54	13.52	40.46	80.62	160.06
55	16.31	48.81	97.26	193.09
56	20.49	61.32	122.19	242.58
57	27.45	82.15	163.69	324.98
58	41.34	123.72	246.52	489.42
59	82.94	248.21	494.59	961.92

Prepared by Actuarial Service, Veterans Administration, Washington 25,
D. C.

(July, 1946)

NATIONAL SERVICE LIFE INSURANCE
ENDOWMENT AT AGE 65
PREMIUM RATES FOR \$1,000

Age	Monthly	Quarterly	Semi- annual	Annual
15	\$1.28	\$ 3.83	\$ 7.63	\$15.15
16	1.31	3.92	7.81	15.51
17	1.35	4.04	8.05	15.98
18	1.38	4.13	8.23	16.34
19	1.41	4.22	8.41	16.69
20	1.45	4.34	8.65	17.17
21	1.49	4.46	8.89	17.64
22	1.53	4.58	9.12	18.11
23	1.58	4.73	9.42	18.71
24	1.62	4.85	9.66	19.18
25	1.67	5.00	9.96	19.77
26	1.72	5.15	10.26	20.36
27	1.78	5.33	10.61	21.07
28	1.84	5.51	10.97	21.78
29	1.90	5.69	11.33	22.49
30	1.96	5.87	11.69	23.20
31	2.03	6.08	12.11	24.03
32	2.11	6.31	12.58	24.98
33	2.19	6.55	13.06	25.93
34	2.27	6.79	13.54	26.87

Age	Monthly	Quarterly	Semi-annual	Annual
35	\$2.37	\$ 7.09	\$14.13	\$28.06
36	2.46	7.36	14.67	29.12
37	2.57	7.69	15.33	30.43
38	2.69	8.05	16.04	31.85
39	2.81	8.41	16.76	33.27
40	2.94	8.80	17.53	34.81
41	3.09	9.25	18.43	36.58
42	3.25	9.73	19.38	38.48
43	3.42	10.23	20.39	40.49
44	3.61	10.80	21.53	42.74
45	3.82	11.43	22.78	45.22
46	4.06	12.15	24.21	48.07
47	4.32	12.93	25.76	51.14
48	4.61	13.80	27.49	54.58
49	4.93	14.75	29.40	58.37
50	5.30	15.86	31.61	62.75
51	5.72	17.12	34.11	67.72
52	6.20	18.55	36.97	73.40
53	6.76	20.23	40.31	80.03
54	7.42	22.21	44.25	87.85
55	8.21	24.57	48.96	97.20
56	9.17	27.44	54.68	108.56
57	10.36	31.00	61.78	122.65
58	11.88	35.55	70.84	140.65
59	13.90	41.60	82.89	164.56
60	16.72	50.04	99.71	197.95
61	20.92	62.61	124.75	247.67
62	27.90	83.49	166.37	330.31
63	41.80	125.09	249.26	494.87
64	83.41	249.62	497.39	987.49

Prepared by Actuarial Service, Veterans Administration, Washington 25,
D. C.

(July, 1946)

11. Conversion regulations are unchanged, except that conversion to an endowment plan may not be made while the insured is totally disabled.

12. Pending receipt of new application forms, Veterans Administration Insurance Form 358, may be used with the following modifications:

a. Title - Add "Twenty-year endowment, endowment at age 60, or endowment at age 65"

b. Delete all reference to permitted class of beneficiaries.

This form should be executed in triplicate and copies distributed as outlined in paragraph 15a, AR 600-110. When Veterans Administration Insurance Form 358 is not available, a written request, clearly stating the insured's desires, properly signed, will be accepted. Such request should be executed in triplicate and copies distributed as outlined above.

V. DISABILITY INCOME BENEFIT. 13. Provision is made for the inclusion of a total disability income provision in any National Service Life Insurance policy (term or permanent policies), upon application, proof of good health, and payment of an extra premium. When attached to a National Service Life or endowment policy, the benefit provided is an income of \$5.00 a month per \$1,000 of insurance, payable during total disability lasting at least 6 months and beginning before the insured attains age 60, except on 20-Year endowment where disability must occur before the maturity of the contract. The first monthly payment of income is made at the beginning of the 7th consecutive month of total disability. The disability must commence after the date of application for the provision or the effective date thereof if later, and before default in payment of any premium.

14. The total disability income provision will be made effective as follows:

a. If the National Service Life Insurance policy and the total disability income provision are applied for at the same time and all requirements are complied with, the total disability income provision shall, except as provided in b below, be effective as of the same date the policy becomes effective.

b. If the National Service Life Insurance policy is dated back, or has been previously issued, and the application is made on other than a due date of the monthly premium on the policy, and all requirements are complied with, the total disability income provision shall be effective as of the last prior monthly premium due date.

15. The following rules will govern when the benefit is added to an existing policy:

a. On 5-year term, ordinary life, endowment at 60, and endowment at 65 issued at any age, on twenty-payment life and on twenty-year endowment issued at age 40 and above, and on thirty-payment life issued at age 30 and above, the rate will be that shown in the schedule in paragraph 16 below for the attained age, nearest birthday, as of the date the disability benefit becomes effective.

b. On twenty-payment life and on twenty-year endowment issued below age 40, and on thirty-payment life issued below age 30, special rates will have to be obtained from the Veterans Administration, Washington 25, D. C., for the time being. Information and instructions on these will follow later.

16. The additional premium for this benefit is payable either to age 60 or to the end of the premium-paying period on the insurance policy, whichever is the shorter premium period. The premiums quoted below apply only if the effective date of the disability benefit is the same as the effective date of the insurance policy to which it is attached:

Additional premiums per \$1,000 of insurance
for the income disability benefit:

5-YR. TERM - OL - END. 60 - END. 65				
AGE	MO	QR	S-A	A
15	.16	.48	.95	1.89
16	.16	.48	.95	1.89
17	.16	.48	.95	1.89
18	.16	.48	.95	1.89
19	.17	.51	1.01	2.01
20	.17	.51	1.01	2.01
21	.18	.54	1.07	2.13
22	.19	.57	1.13	2.25
23	.19	.57	1.13	2.25
24	.20	.60	1.19	2.37
25	.21	.63	1.25	2.49
26	.21	.63	1.25	2.49
27	.22	.66	1.31	2.60
28	.23	.69	1.37	2.72
29	.24	.72	1.43	2.84
30	.25	.75	1.49	2.96
31	.25	.75	1.49	2.96
32	.26	.78	1.55	3.08
33	.28	.84	1.67	3.31
34	.29	.87	1.73	3.43
35	.30	.90	1.79	3.55
36	.31	.93	1.85	3.67
37	.32	.96	1.91	3.79
38	.34	1.02	2.03	4.03
39	.35	1.05	2.09	4.14
40	.37	1.11	2.21	4.38
41	.39	1.17	2.33	4.62
42	.41	1.23	2.44	4.85
43	.43	1.29	2.56	5.09
44	.45	1.35	2.68	5.33
45	.47	1.41	2.80	5.56
46	.49	1.47	2.92	5.80
47	.52	1.56	3.10	6.16
48	.55	1.65	3.28	6.51
49	.57	1.71	3.40	6.75
50	.60	1.80	3.58	7.10
51	.63	1.89	3.76	7.46
52	.67	2.01	4.00	7.93
53	.70	2.09	4.17	8.29
54	.73	2.18	4.35	8.64
55	.77	2.30	4.59	9.12
56	.81	2.42	4.83	9.59
57	.85	2.54	5.07	10.06
58	.89	2.66	5.31	10.54
59	.94	2.81	5.61	11.13

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20 PAYMENT LIFE				
AGE	MO	QR	S-A	A
15	.24	.72	1.43	2.84
16	.24	.72	1.43	2.84
17	.24	.72	1.43	2.84
18	.25	.75	1.49	2.96
19	.25	.75	1.49	2.96
20	.26	.78	1.55	3.08
21	.26	.78	1.55	3.08
22	.27	.81	1.61	3.20
23	.27	.81	1.61	3.20
24	.28	.84	1.67	3.31
25	.28	.84	1.67	3.31
26	.29	.87	1.73	3.43
27	.30	.90	1.79	3.55
28	.30	.90	1.79	3.55
29	.31	.93	1.85	3.67
30	.31	.93	1.85	3.67
31	.32	.96	1.91	3.79
32	.32	.96	1.91	3.79
33	.33	.99	1.97	3.91
34	.33	.99	1.97	3.91
35	.34	1.02	2.03	4.03
36	.35	1.05	2.09	4.14
37	.35	1.05	2.09	4.14
38	.36	1.08	2.15	4.26
39	.36	1.08	2.15	4.26
40	.37	1.11	2.21	4.38
41	.39	1.17	2.33	4.62
42	.41	1.23	2.44	4.85
43	.43	1.29	2.56	5.09
44	.45	1.35	2.68	5.33
45	.47	1.41	2.80	5.56
46	.49	1.47	2.92	5.80
47	.52	1.56	3.10	6.16
48	.55	1.65	3.28	6.51
49	.57	1.71	3.40	6.75
50	.60	1.80	3.58	7.10
51	.63	1.89	3.76	7.46
52	.67	2.01	4.00	7.93
53	.70	2.09	4.17	8.29
54	.73	2.18	4.35	8.64
55	.77	2.30	4.59	9.12
56	.81	2.42	4.83	9.59
57	.85	2.54	5.07	10.06
58	.89	2.66	5.31	10.54
59	.94	2.81	5.61	11.13

20 YEAR ENDOWMENT				
AGE	MO	QR	S-A	A
15	.07	.21	.42	.83
16	.07	.21	.42	.83
17	.07	.21	.42	.83
18	.07	.21	.42	.83
19	.07	.21	.42	.83
20	.08	.24	.48	.95
21	.08	.24	.48	.95
22	.09	.27	.54	1.07
23	.09	.27	.54	1.07
24	.10	.30	.60	1.18
25	.10	.30	.60	1.18
26	.11	.33	.66	1.30
27	.12	.36	.72	1.42
28	.13	.39	.78	1.54
29	.14	.42	.83	1.66
30	.15	.45	.89	1.78
31	.16	.48	.95	1.89
32	.18	.54	1.07	2.13
33	.19	.57	1.13	2.25
34	.21	.63	1.25	2.49
35	.23	.69	1.37	2.72
36	.25	.75	1.49	2.96
37	.28	.84	1.67	3.31
38	.30	.90	1.79	3.55
39	.34	1.02	2.03	4.03
40	.37	1.11	2.21	4.38
41	.39	1.17	2.33	4.62
42	.41	1.23	2.44	4.85
43	.43	1.29	2.56	5.09
44	.45	1.35	2.68	5.33
45	.47	1.41	2.80	5.56
46	.49	1.47	2.92	5.80
47	.52	1.56	3.10	6.16
48	.55	1.65	3.28	6.51
49	.57	1.71	3.40	6.75
50	.60	1.80	3.58	7.10
51	.63	1.89	3.76	7.46
52	.67	2.01	4.00	7.93
53	.70	2.09	4.17	8.29
54	.73	2.18	4.35	8.64
55	.77	2.30	4.59	9.12
56	.81	2.42	4.83	9.59
57	.85	2.54	5.07	10.06
58	.89	2.66	5.31	10.54
59	.94	2.81	5.61	11.13

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30 PAYMENT LIFE				
AGE	MO	QR	S-A	A
15	.19	.57	1.13	2.25
16	.19	.57	1.13	2.25
17	.19	.57	1.13	2.25
18	.19	.57	1.13	2.25
19	.20	.60	1.19	2.37
20	.20	.60	1.19	2.37
21	.20	.60	1.19	2.37
22	.21	.63	1.25	2.49
23	.21	.63	1.25	2.49
24	.22	.66	1.31	2.60
25	.22	.66	1.31	2.60
26	.23	.69	1.37	2.72
27	.23	.69	1.37	2.72
28	.24	.72	1.43	2.84
29	.24	.72	1.43	2.84
30	.25	.75	1.49	2.96
31	.25	.75	1.49	2.96
32	.26	.78	1.55	3.08
33	.28	.84	1.67	3.31
34	.29	.87	1.73	3.43
35	.30	.90	1.79	3.55
36	.31	.93	1.85	3.67
37	.32	.96	1.91	3.79
38	.34	1.02	2.03	4.03
39	.35	1.05	2.09	4.14
40	.37	1.11	2.21	4.38
41	.39	1.17	2.33	4.62
42	.41	1.23	2.44	4.85
43	.43	1.29	2.56	5.09
44	.45	1.35	2.68	5.33
45	.47	1.41	2.80	5.56
46	.49	1.47	2.92	5.80
47	.52	1.56	3.10	6.16
48	.55	1.65	3.28	6.51
49	.57	1.71	3.40	6.75
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54	.73	2.18	4.35	8.64
55	.77	2.30	4.59	9.12
56	.81	2.42	4.83	9.59
57	.85	2.54	5.07	10.06
58	.89	2.66	5.31	10.54
59	.94	2.81	5.61	11.13

17. If application is made for the total disability income provision before 1 January 1950, requirement for good health will be waived in case an actually service-incurred disability less than total in degree is the only bar to a showing of good health.

18. Pending receipt of new application form for total disability income provision, Veterans Administration Insurance Form 350a (Application for National Service Life Insurance) may be used when applying for total disability insurance to be made a part of National Service Life Insurance now in effect, with the following modifications:

a. Title. Change title to read: "Application for addition of total disability insurance to National Service Life Insurance now in effect."

b. Item 8. Delete "insurance on the five-year level-premium term plan in the amount of \$_____."

Add "total disability insurance to be made a part of my present insurance." (If applicant desires total disability to be applied to amount of insurance which is less than the total amount of insurance now in force under the policy, the amount on which total disability is to be applied should be stated.

c. Items 10 and 11. Delete both items. Beneficiary designation and optional settlement will be in accord with insurance to which total disability insurance is to be added.

d. Item 13. Delete "(not later than the first day of the month following date of application)". See paragraph 14 above for instructions regarding effective date of Total Disability protection.

This form should then be executed in triplicate and copies distributed as outlined in paragraph 4b(1), AR 600-110, with respect to Veterans Administration Insurance Form 350.

VI. REINSTATEMENT. 19. Any level premium term policy which has lapsed may be reinstated at any time within the term period, upon written application and the payment of two monthly premiums (no interest) and the submission of evidence of good health satisfactory to the Administrator of Veterans Affairs. Usually, a statement over the insured's signature that he is in as good health on the date of application (and tender of required premiums) as he was on the due date of the premium in default (Comparative Health Statement) will be acceptable if application is made within 6 months after the date of lapse or within 6 months after date of enactment of the Insurance Act of 1946, whichever is the later. The existence of "good health" shall not be denied in connection with any application for reinstatement if application is submitted prior to 1 January 1950, and if the disability or disabilities, less than total in degree, resulted from or were aggravated by active military service between 8 October 1940 and 2 September 1945, both dates inclusive.

20. Existing reinstatement requirements for lapsed permanent (converted) policies are unchanged by the Insurance Act of 1946; except, that the existence of good health shall not be denied under the same conditions as apply to term insurance, as outlined in paragraph 19 above. Interest on premiums in arrears shall be at the rate of 5 percent per annum, compounded annually, on any premiums in arrears which became due on or before 31 July 1946, and thereafter at the rate of 4 percent per annum, compounded annually.

21. Pending receipt of new application form for reinstatement, Veterans Administration Insurance Form 353a may be used to reinstate 5-year level-premium term insurance. This form should be executed in triplicate and copies distributed as outlined in paragraph 20a(1)(a), AR 600-110, with respect to present Veterans Administration Insurance Forms 353 and 353a.

VII. ELIGIBILITY; 22. Any person who has had active service between 8 October 1940, and 2 September 1945 (both dates inclusive) may apply for and be granted term insurance convertible after 1 year, upon payment of premiums, or establishment of an allotment, and evidence of good health satisfactory to the Administrator of Veterans Affairs. However, existence of good health may not be denied because of a service-connected disability, less than total in degree, resulting from or aggravated by such service, if such application for new insurance is submitted prior to 1 January 1950. The maximum amount of insurance for which the applicant may be otherwise eligible under this provision is decreased by the amount of any insurance which may have been surrendered for its cash value, and it is provided further that no person may carry in excess of \$10,000 Government Life Insurance.

VIII. EXTENSION OF TIME LIMIT FOR FILING APPLICATION FOR WAIVER OF PREMIUMS. 23. Upon application made within 1 year of the date of enactment of the Insurance Act of 1946, the Administrator of Veterans Affairs may waive any premium becoming due not more than 5 years prior to 1 August 1946, the date of the enactment of this Act. Also, the beneficiary's right to file claim for premium waiver after the insured's death has been extended to 1 August 1947, or within 1 year after the insured's death, whichever is later; or if the beneficiary be insane or a minor, within 1 year after removal of such disability.

IX. DISABILITY CLAIMS. 24. Under the Insurance Act of 1946 certain provisions of the National Service Life Insurance Act were amended retroactively to take effect as of 8 October 1940. Two such amendments which affect claims for waiver of premiums previously disallowed are summarized as follows:

a. Provision is made whereby, in the event of disagreement and denial of the claim for waiver, the insured has the right to enter suit and have a trial by jury.

b. Certain disabilities known as "statutory disabilities" are mentioned in the amended act, which, if present, create a presumption of total disability irrespective of industrial activity. These disabilities are: "The permanent loss of the use of both feet, both hands, or of both eyes, or of one foot and one hand, or of one foot and one eye, or of one hand and one eye, or the total loss of hearing of both ears, or the organic loss of speech."

25. In order to expedite the process of reconsidering claims heretofore disallowed, it is advisable for the individual concerned to request this action. In other instances, those who did not apply because at the time they could not meet the requirements may now be eligible. They should be advised to file claim as soon as possible. (AG 019 (21 Aug 46))

BY ORDER OF THE SECRETARY OF WAR:

OFFICIAL:
EDWARD F. WITSELL
Major General
The Adjutant General

DWIGHT D. EISENHOWER
Chief of Staff